Manitoba Lotteries Corporation

Mission

The MLC's Mission is to provide a fun and entertaining gaming experience in a socially responsible manner to generate benefits for all Manitobans.

For Further Information Contact:

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Manitoba Lotteries

SECOND QUARTER REPORT

FOR THE SIX MONTHS ENDED
SEPTEMBER 30, 2009

MANITOBA LOTTERIES CORPORATION
OPERATIONAL HIGHLIGHTS

Manitoba Lotteries Corporation's consolidated net income and comprehensive income for the 6 months ended September 30, 2009 was $158.7 million, a decrease of $4.3 million from the same period last year. This change is due to decreases of $3.2 million in Video Lotto and $3.8 million in the Casinos; offset by an increase of $2.7 million in Lottery.

Compared to the same period last year, revenue and other income net of cost of sales were consistent, operating expenses increased $4.6 million; amortization, interest and GST expenses decreased $1.3 million, and allocations and payments increased by $0.8 million.

CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands, unaudited)
6 Months Ended September 30th

	2009				2008
	Video Lotto	Casinos	Lottery	Total	Total
Revenue					
Revenue and other income	$173,303	$111,963	$98,638	$383,904	$388,418
Cost of sales	55,303	5,037	64,836	125,176	129,626
	118,000	**106,926**	**33,802**	**258,728**	**258,792**
Expenses					
Operating	5,280	58,770	3,028	67,078	62,435
Amortization	7,424	9,781	-	17,205	17,920
Interest expense – long-term	1,504	3,577	120	5,201	5,579
Goods and services tax	2,171	347	50	2,568	2,758
	16,379	**72,475**	**3,198**	**92,052**	**88,692**
Income before Allocations and Payments	**101,621**	**34,451**	**30,604**	**166,676**	**170,100**
Allocations and Payments	**1,898**	**3,054**	**3,061**	**8,013**	**7,171**
Net Income and Comprehensive Income	**$99,723**	**$31,397**	**$27,543**	**$158,663**	**$162,929**

MANITOBA LOTTERIES CORPORATION
CONSOLIDATED BALANCE SHEET
(in thousands, unaudited)
September 30th

	2009	2008
ASSETS		
Current Assets		
Cash	$ 20,353	$ 27,424
Accounts receivable	11,519	14,291
Prepaid expenses	4,346	4,039
Inventories	3,229	2,750
	39,447	48,504
Property and Equipment, and Other Assets	161,432	171,684
	$200,879	$220,188
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accruals	$26,136	$22,511
Payable to the Province of Manitoba	2,863	12,328
Current portion of long term debt	13,483	13,994
	42,482	48,833
Long Term Debt	152,753	165,977
Provision for Employee Pension Benefits	644	378
Retained Earnings	5,000	5,000
	$200,879	$220,188